

WIEB - CEC Natural Gas Workshop

Overview



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Topics

- Purpose of today's Workshop
- Overview of the *Western Natural Gas Assessment*
- Basecase forecast outline
- Public participation and outreach effort



Today's workshop

- We are here to discuss
 - Scope of the project
 - Data
 - Proposed assumptions
 - Methodologies used to perform the analyses
- Sessions
 - Demand
 - Domestic supply
 - LNG
 - Scenarios and sensitivities

Purpose of the Western Natural Gas Assessment



- Investigate the western natural gas market
 - Natural gas demand growth
 - Adequacy of pipeline and storage infrastructure
 - Natural gas supply availability
 - Basis pricing differentials
- Coordination with ongoing electricity resource adequacy study
 - Test normal and extreme conditions



Assessment Schedule

- Project began with WIEB Board's approval of project proposal in April 2004
- Two phase project
 - Phase I – long term annual assessment, 2005-2014
 - Finished in spring 2005
 - Phase II – short term seasonal assessment
 - Anticipated finish at the end of 2005



Western Natural Gas Assessment

- North America, with focus on
 - Western Canada
 - Western U.S.
 - Northern Mexico





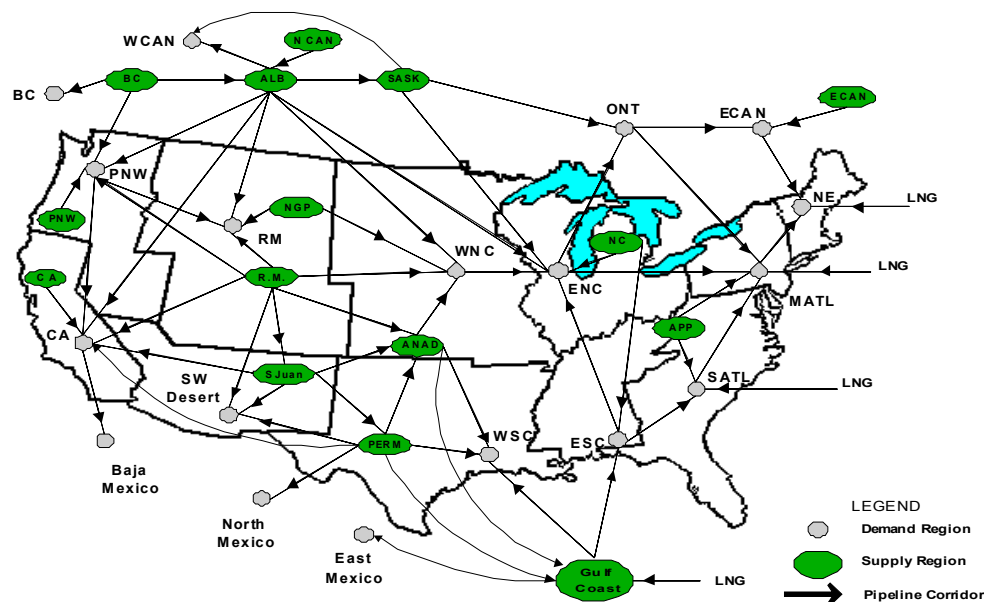
Assessment Scope

- Demand sectors – 19 regions
 - Core
 - Noncore
 - Electricity Generation
- Supplies – 18 regions
 - Proved and potential, by resource type
 - Conventional, coal-bed methane, tight sands, shale, and LNG



Assessment Scope (continued)

- Transportation
 - Links demand and supply regions
 - Pipelines or pipeline corridors
 - Corridors represent an aggregation of pipelines in the same general location





Major Analytical Tool

- North American Regional Gas Model
 - Generalized equilibrium model, calculating market clearing prices and quantities
 - Basecase forecast
 - A most likely outlook of the North American natural gas market, based on typical conditions
 - Scenario and Sensitivity Analysis
 - Test strength of Basecase, data, and assumptions



Public participation and outreach

- Communication process
 - CEC list server
 - Websites
 - WIEB and CEC
- Outreach effort
 - Contacting interested parties throughout North America
 - Workshops